

Scaling up into (South) Africa

The Why and The How

Marek Zmysłowski



Why is a white polish man talking about Africa



Why is a white polish man talking about Africa



Date: 12/15/2018 Time: 8:26 AM To: 0222173626 & 0222173626 kqp P: 5/7

MAREK Zmyslowski
Control No.: A-11958/12-2017

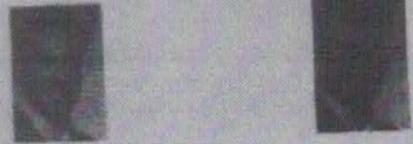
Requesting country: Nigeria
File No.: 2017284243
Date of publication: 22 December 2017
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INTERPOL
RED NOTICE

FUGITIVE WANTED FOR PROSECUTION

Circulation to the media (including internet) of the extract of the notice as published on INTERPOL's public website: No

1. IDENTITY PARTICULARS



Family name: MAREK
Forename(s): Zmyslowski
Sex: Male
Date and place of birth: 19 August 1986 - KOSZALIN - Poland
Nationality: Poland (confirmed)

Also known as		Family name	Forename	Date of birth	Place	Country
Type						
1	Alias	MAREK	Zmyslowski	19 August 1986	KOSZALIN	Poland
Family name at birth:		MAREK ZMYSLÓWSKI				

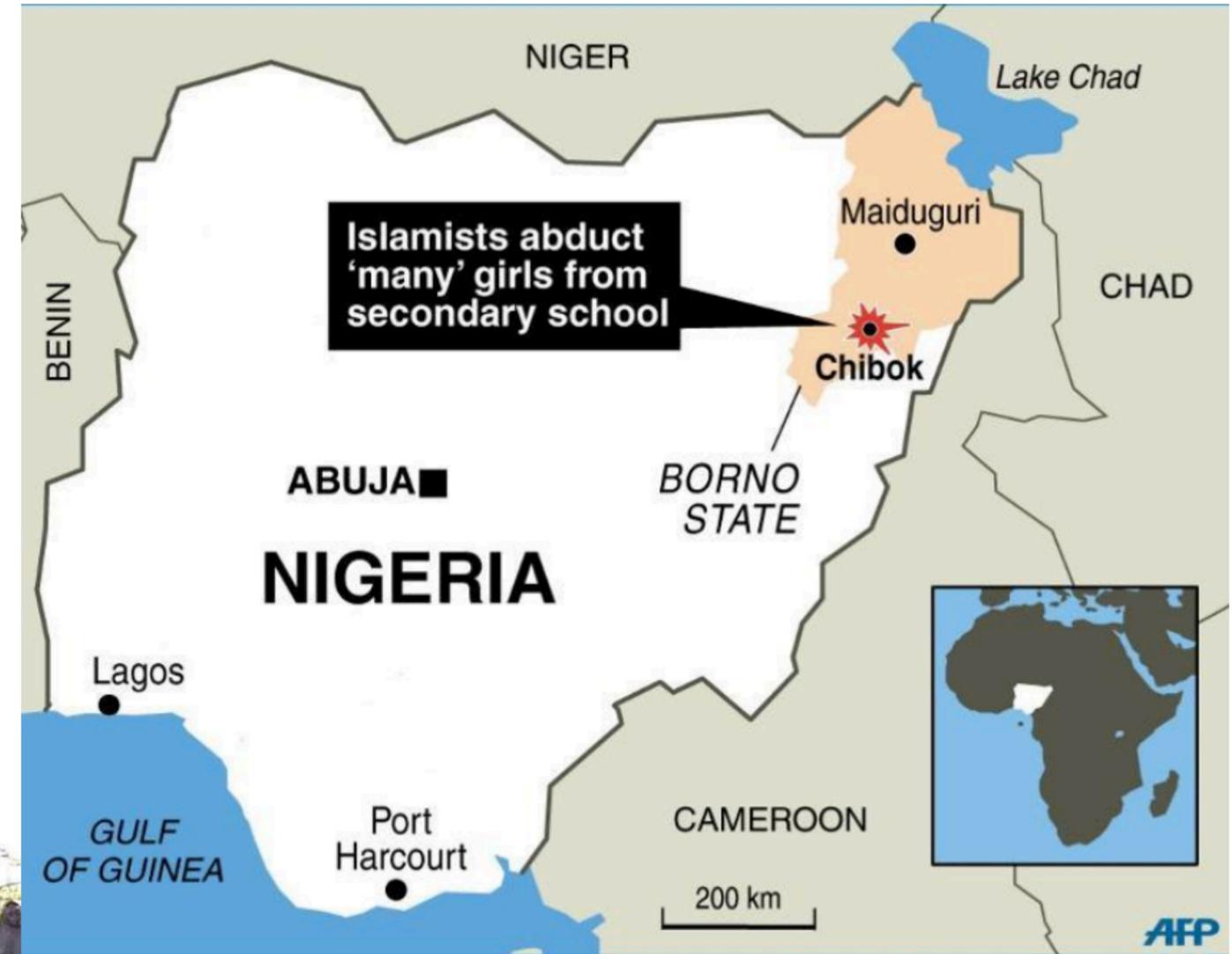
MAREK ZMYSŁOWSKI



GONIAĆ CZARNE JEDNOROŻCE

JAK POLSKI WILK Z WALL STREET
ZOSTAŁ AFRYKAŃSKIM TERRORYSTĄ

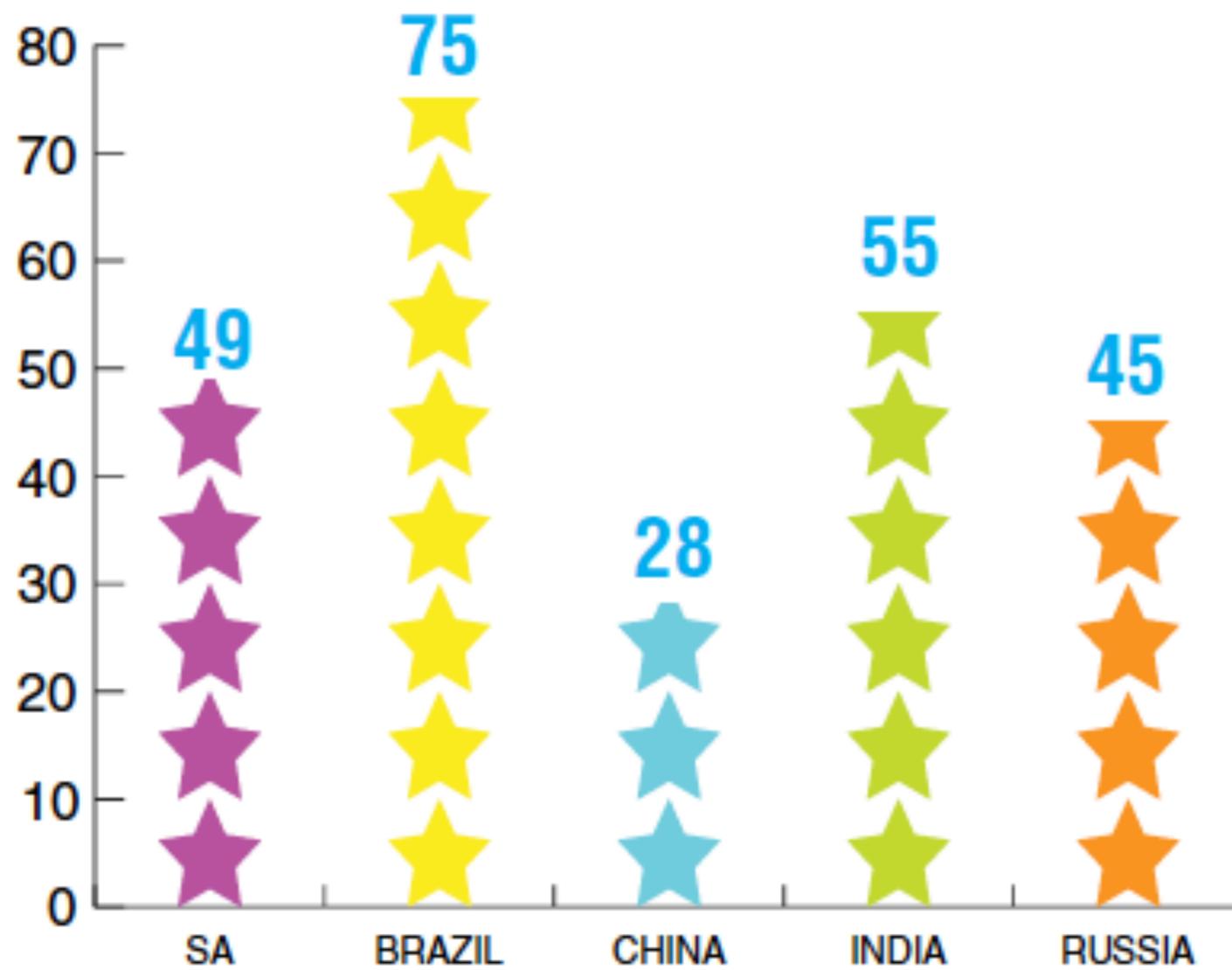
empik.com



Investing & Expansion into Africa

The Why and The How

Global Competitiveness Ranking







You have two options



The big man option



The street-smart guy option



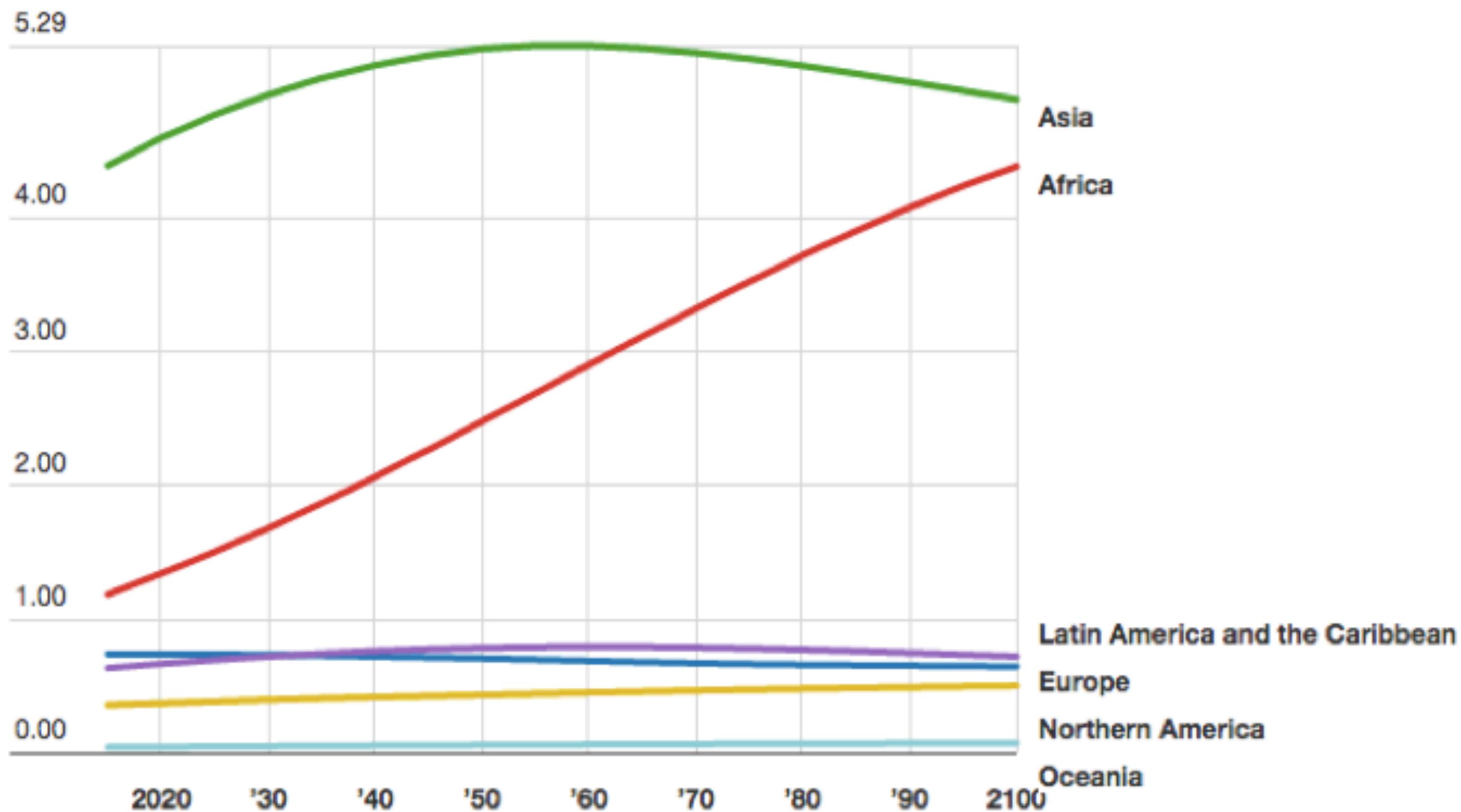
Being split between continents is not your option



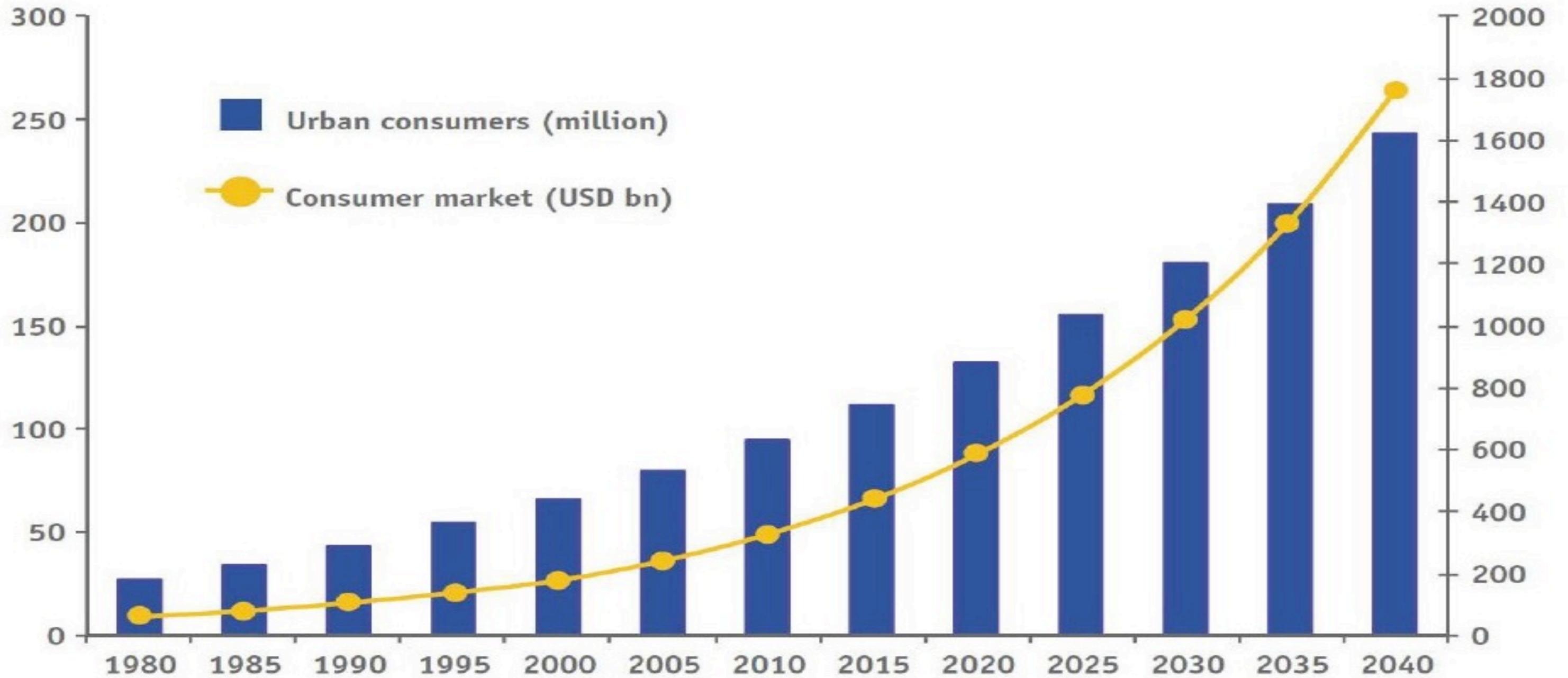
True size of Africa



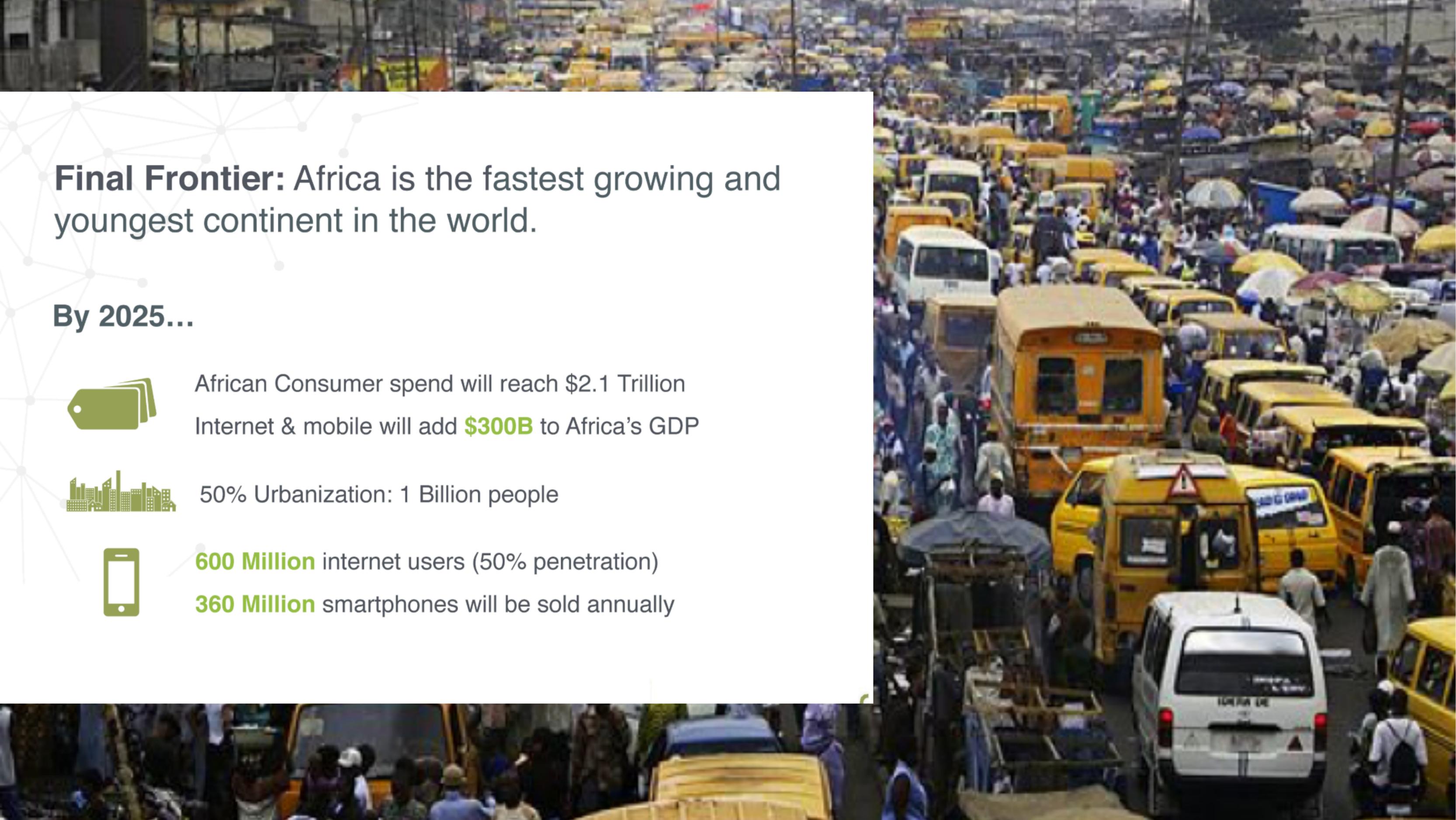
UN Regional Population Projections (Billions, 2015 - 2100)



Skyrocketing Middle Class Growth and Spending



Source: Euromonitor International, UN Data, Economist Intelligence Unit



Final Frontier: Africa is the fastest growing and youngest continent in the world.

By 2025...



African Consumer spend will reach \$2.1 Trillion
Internet & mobile will add **\$300B** to Africa's GDP



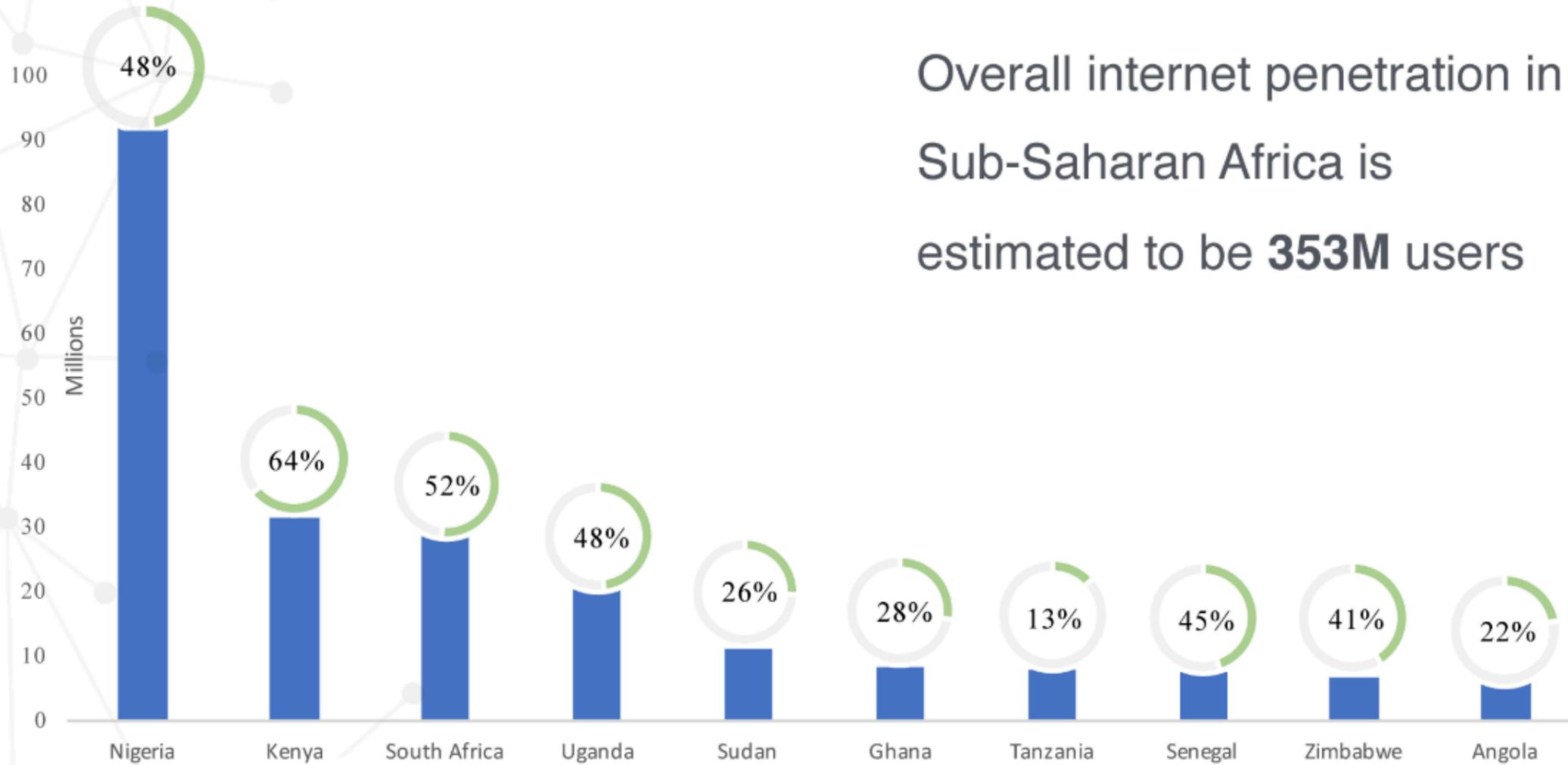
50% Urbanization: 1 Billion people



600 Million internet users (50% penetration)
360 Million smartphones will be sold annually

Africa Key Stats

Overall internet penetration in Sub-Saharan Africa is estimated to be **353M** users



internet users (M)



% internet penetration

VC Funding to African Startups in 2018



\$334.5M

(71% YoY Growth)



\$725.6M

(128% YoY Growth)



\$1,163.1M

(108% YoY Growth)

- Trend is clear. **Over \$500M** is being invested into Africa Startups annually with impressive growth rates.
- Funding reports vary on **“Africa Startups”** vs **“Global Startups in Africa”** due to fragmentation of reporting and methods of measurement of financing rounds across geographies.
- **Earlier stage investing is constrained and is hence big opportunity for growth.**

Good man, bad party

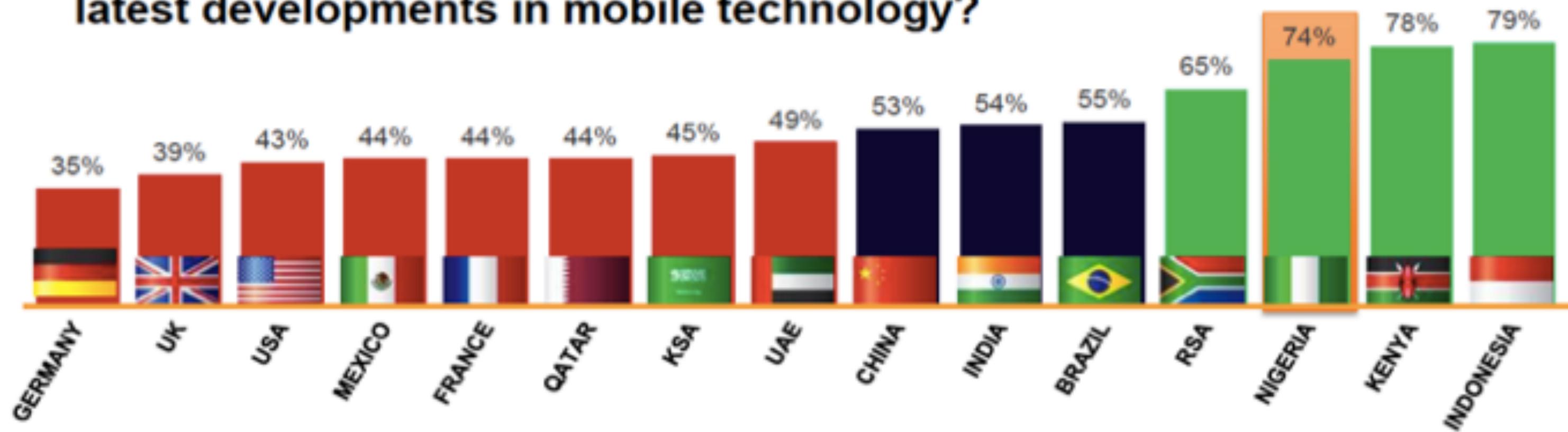
To stop the rot in South Africa, back Cyril Ramaphosa

The liberal opposition cannot win an election on May 8th. So it is up to the president to clean up his own party's mess

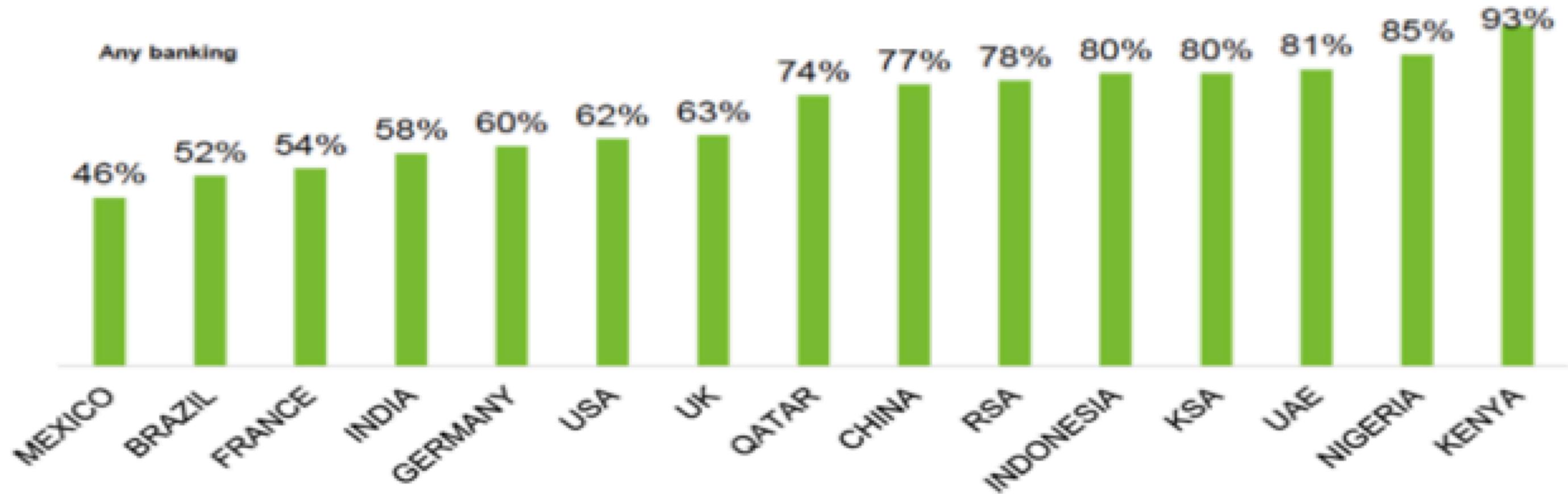


Nigerians among the most interested in mobile technology

How interested are you in keeping up-to-date with the latest developments in mobile technology?



Mobile Banking Users among Bank Customers



A background network diagram consisting of a complex web of interconnected nodes and lines, rendered in a light gray color. The nodes are represented by small circles, and the lines are thin, creating a mesh-like structure that fills the upper and left portions of the slide.

\$5.6 Trillion Opportunity by 2025

- **E-commerce - \$75 Billion Annual Sales**
 - Inventory lead, Marketplaces & Mobile commerce
 - Digital goods including Entertainment (gaming, music and video)
- **FinTech - 80% lack access to formal financial services but access to mobile banking**
 - Cashless online banks, Remittance & money transfer, Bitcoin & Blockchain
 - Credit scoring, p2p and business lending, InsuranceTech. Identity & Fraud systems
- **Education and Talent - Critical in building Africa talent pool**
 - E Learning mixed models, online courses & coding schools
 - Talent marketplaces and HR platforms/automation
- **Logistics, Transportation and Infrastructure services - \$100 Billion market**
 - On demand delivery, Commerce & Local Transportation
 - Drone services in construction, agriculture, real estate & mapping
 - Internet Services & Infrastructure
- **Healthcare - Addressing inadequate public budgets and rising private healthcare innovations**
 - Telemedicine & Online consult services
 - Informatics, Insurance and Medical supply

Main indicators:

> **Country Population: 57.4 M**

- Johannesburg: 9.1 M
- Cape Town: 3.9 M
- Durban: 3.5 M
- Pretoria: 3.2 M
- Port Elizabeth: 1.2 M

> **GDP: US\$13,840 (PPP)** Spain US\$40,289

> **GINI: 0.69** Spain 0.362 (lower=less inequality) **RSA has one of the highest income inequality in the World**

> **Unemployment rate: 27.9%**





Economy:

The economy of South Africa has two faces. On the one hand, starting in 1996, with the end of twelve years of international sanctions due to the Apartheid, the GDP grew at a considerable rate and almost tripled to peak at \$400 billion in 2011. During this period, poverty fell from 34% to 17% by 2008. South Africa became the second largest economy in Africa, after Nigeria, and of the most industrialized countries in the continent. Today, the RSA is home to 75% of the largest African companies.

On the other hand, the economy relied heavily on mining and agriculture. In recent years, it suffered from the fall of raw materials prices, a decline in Chinese demand and bad harvests. As of September 2018, South Africa officially entered into a recession after its economy shrank by 0.8 percent in Q2.

High unemployment is the main challenge, standing at +20s% level. The unemployment rate is even higher among youths: close to 50%



Internet and mobile penetration:

- South Africa has **21-million internet users**, the vast majority of which are using mobile
- The country is experiencing a boom in internet access, with online users projected to reach 22.5 million by the end of 2018. Most of these users access the internet via mobile
- The problem is the affordability of data plans: **there are about 29-million smartphones** in use but only 21-million mobile internet users

Investing & Expansion into Africa

The Why and **The How**

LEGAL

Independent contractors:

- No issues to have independent contractors contracts - Uber, Taxify, No branding license needed

Registration of the subsidiary

- Totally possible to have a fully owned by HQ subsidiary, it is the simplest way to settle the business
- Minimum Capital - there is no requirement to deposit a certain amount of money before the company is allowed to do business
- Theoretically, **2 to 3 weeks needed to register the company** (if all the papers are correctly submitted)
- According to the lawyers - the bank account can be created on the same day
- Recommended banks: Investec

Capital/profit repatriation

- There is no restriction on capital/profit repatriation provided the law is complied with
- Nevertheless, the company needs to get a certificate provided by the federal Bank to be able to repatriate funds
- **20% is withheld by the Government** when it comes to repatriating funds

G&A

CUSTOMER PAYMENTS

- Smartphone penetration in South Africa is high, but mobile payments are failing to catch on.
- Cash continues to be the trusted and most-widely used payment method in the country, with **over half of consumer transactions still being paid in cash**
- In May 2016, Uber began accepting cash payments across five major cities in the country

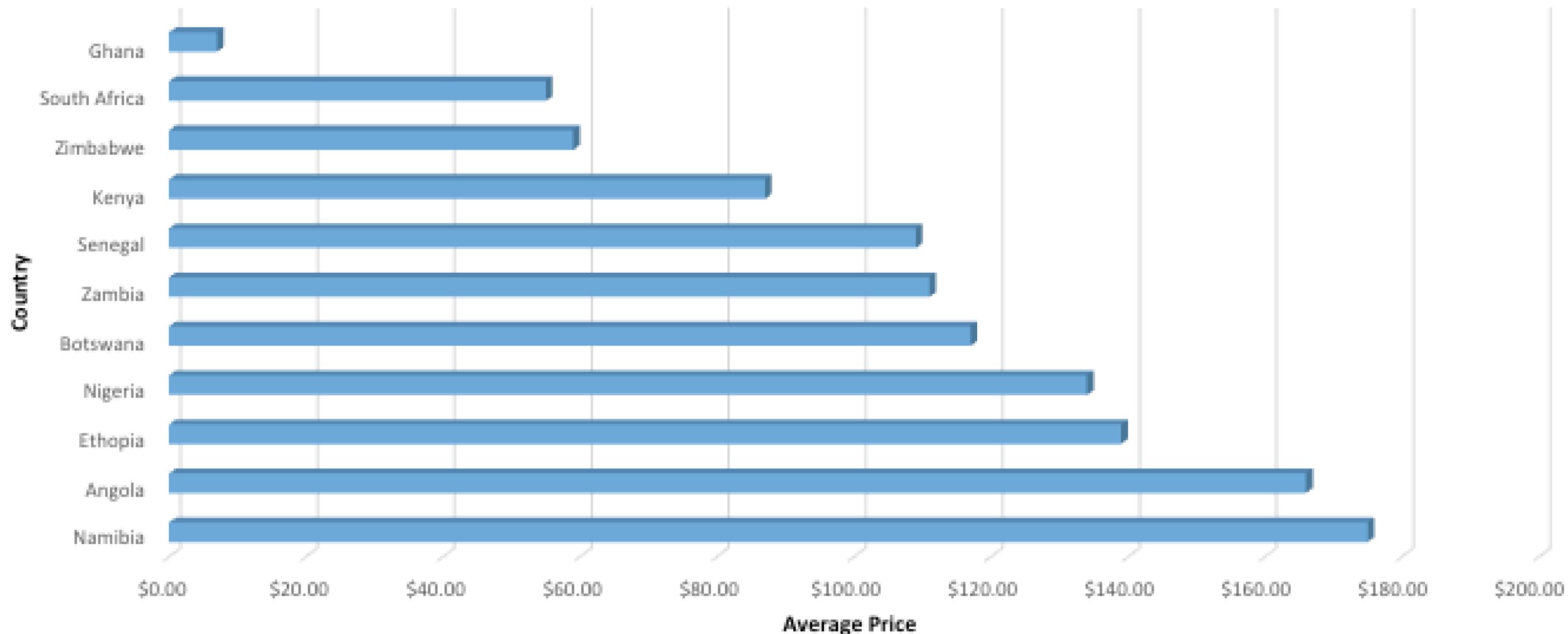
PAYMENT GATEWAYS

- Stripe and Adyen are **not supported!**
- Alternative payment gateways:
 - Cen POS
 - E-pay
 - Ingenico ePayments (formerly GlobalCollect)
 - IVeri

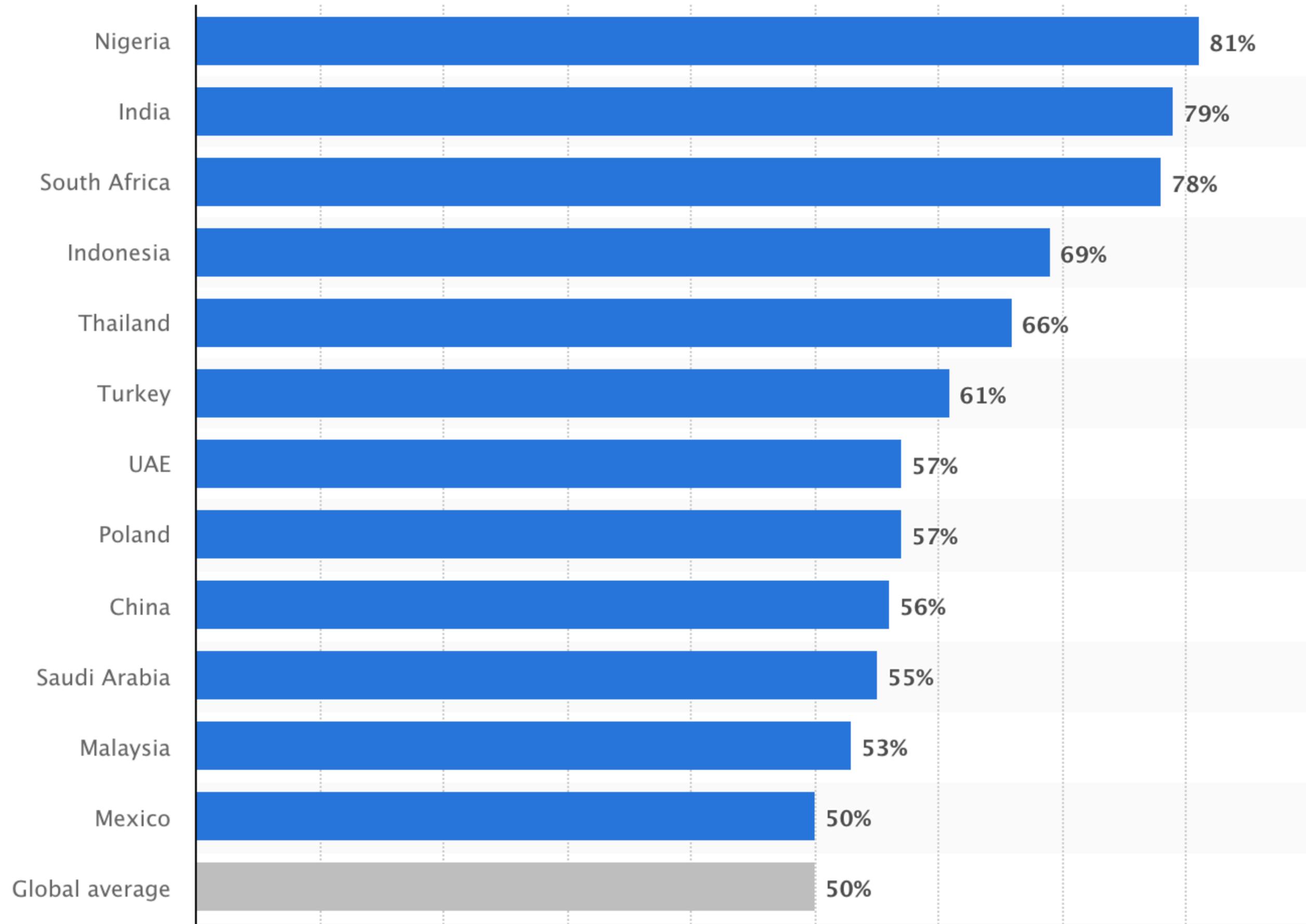
LANGUAGE

- South Africa's 11 official languages are recognised equally by law but **the majority of the country's education, as well as media and political broadcasts, are given in English**

Average Price for 1 Mbit/s per Country in 2016



Mobile Internet Traffic 2017



**Phone screen is
your only screen**



Marketing



Outdoors in Johannesburg spotted during the visit, Jan 2019

OFFLINE

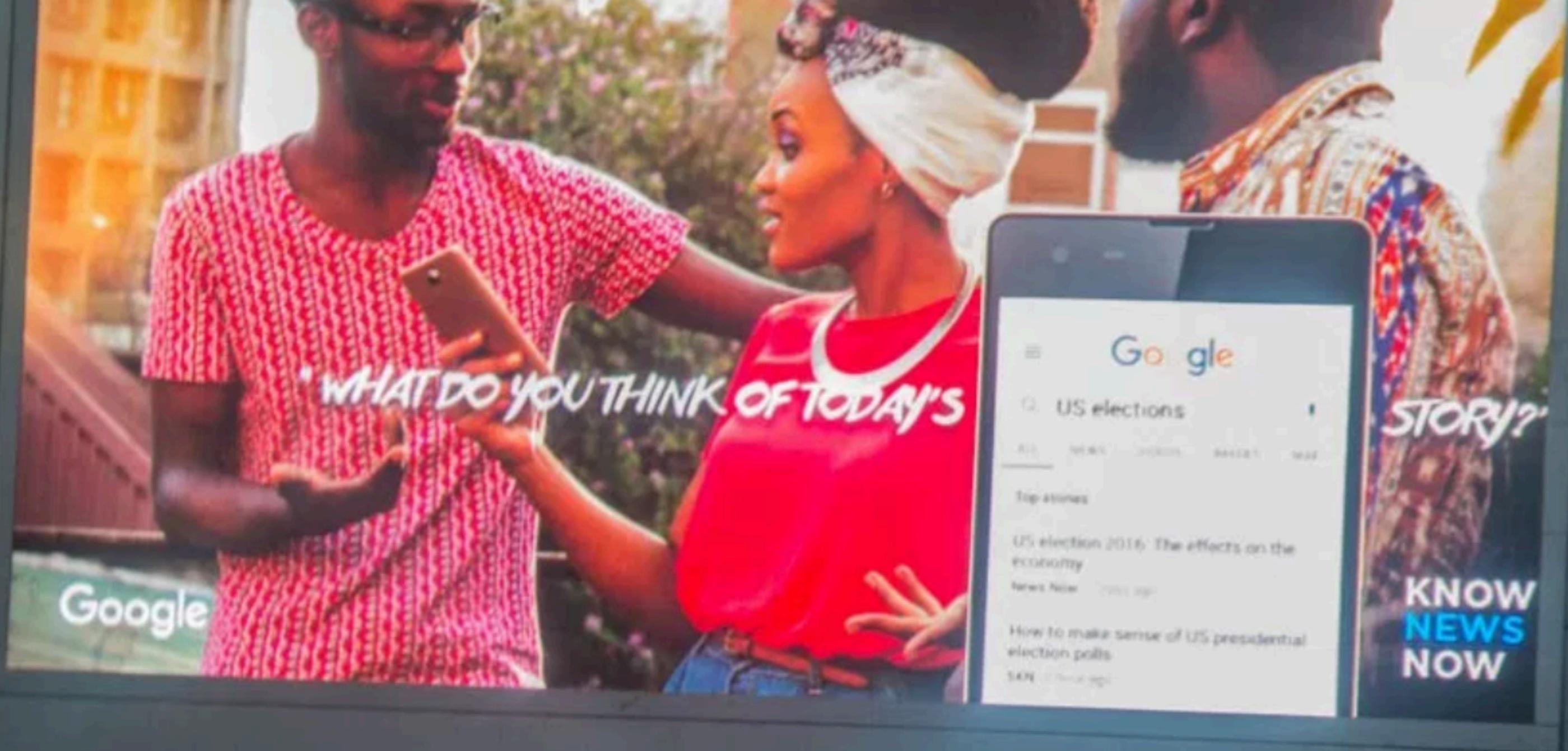
Outdoors will be quite expensive and mainly available in Johannesburg, few billboards exist in Cape Town

TV:

SABC (gov broadcaster) has good reach, but that audience does not have high affordability. the only national station worth purchasing from would be 5FM - a youth orientated broad reach station.

DSTV is a key player in the affluent market. This is owned by NASPERS that owns the number one player in the market (mr Delivery)





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US elections

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News Now 7:00 AM

How to make sense of US presidential election polls
14N 11:00 AM

KNOW NEWS NOW



Online goes offline.



Africa:
**The Curse of the
Medium Size Company
and Middle Management**

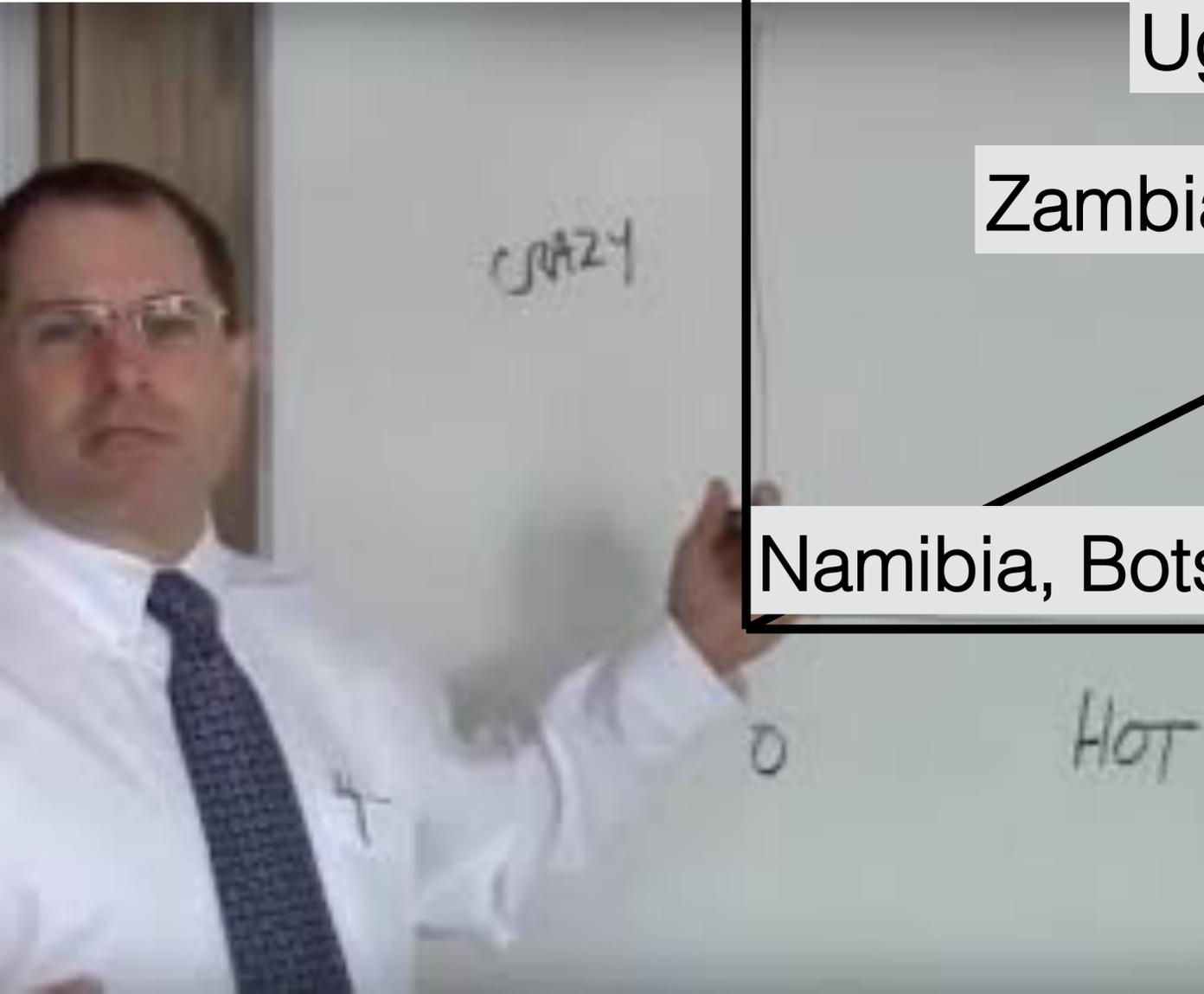
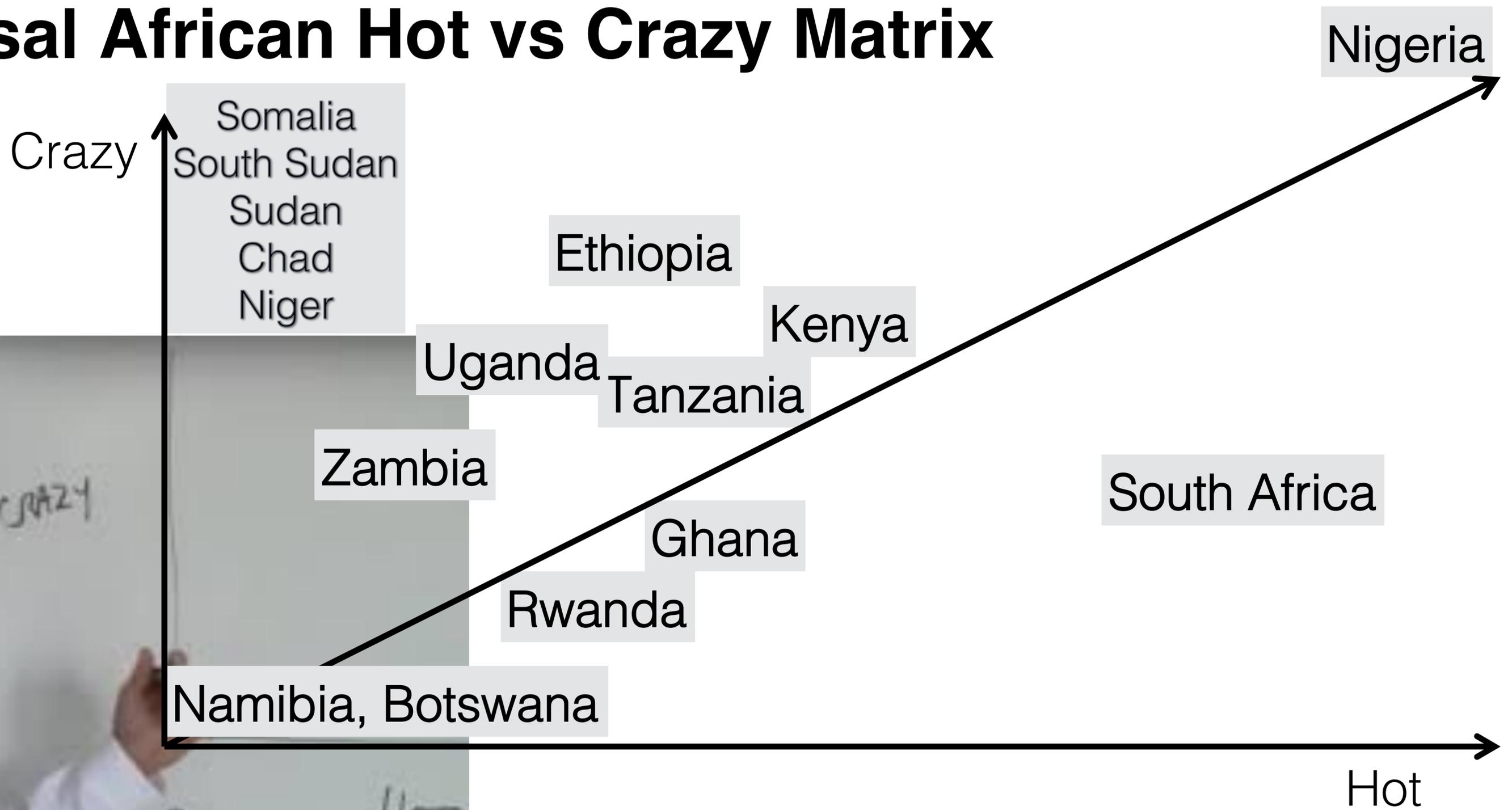
South Africa:
**Biggest talent pool
with best value
for money**



Polish Reputation and Pedigree



Universal African Hot vs Crazy Matrix

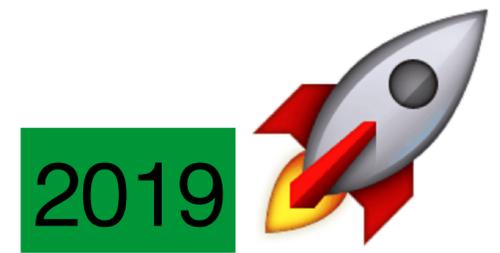


Doing Business in South Africa 2018

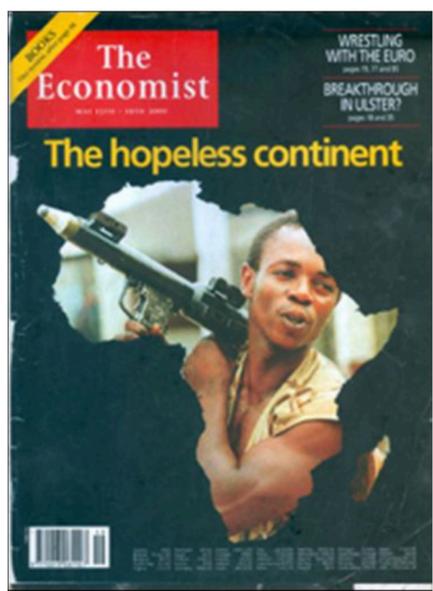


Comparing Business Regulation for
Domestic Firms in **9 Urban Areas and
4 Maritime Ports** with 189 Other Economies

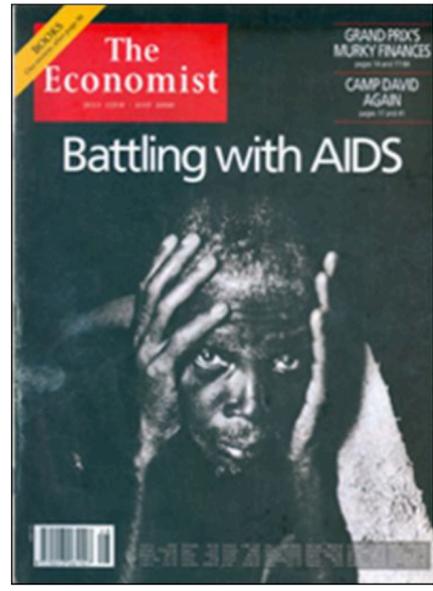
The Dark Continent is happening. This time, big time. Don't miss the party.



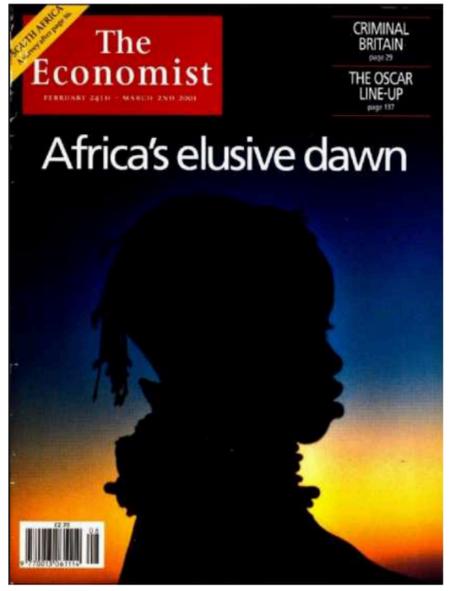
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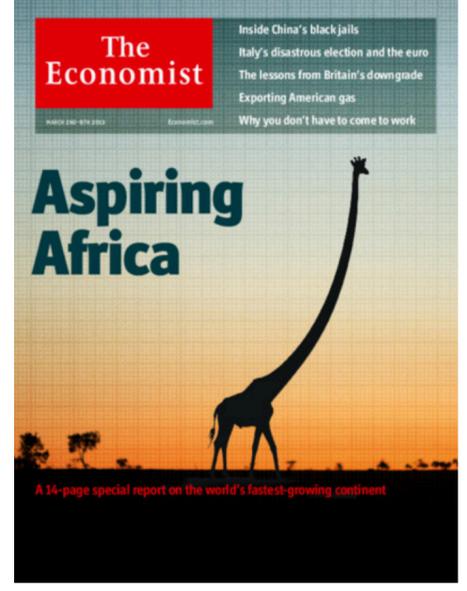
2000



2001



2011



2013



See you in Africa!

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